

**NO TIME TO WAIT: PROPOSALS TO LOWER  
PRESCRIPTION DRUG COSTS  
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AARP, on behalf of our 38 million members, over 890,000 members in Arizona, and all older Americans nationwide, appreciates the opportunity to submit testimony on this important hearing of the Senate Aging Committee.

High prescription drug prices hit older Americans particularly hard. On average, Medicare Part D enrollees take between four and five prescriptions per month, often for chronic conditions that will require treatment for the rest of their lives. At the same time, Medicare beneficiaries have a median annual income of just under \$30,000. One-quarter have less than \$8,500 in savings. In Arizona, the average annual cost of prescription drug treatment increased 26.3% between 2015 and 2019, while the annual income for Arizona residents only increased 15.6%. This population simply does not have the resources to absorb rapidly escalating prescription drug prices and many are facing the reality of having to choose between their medication and other basic needs such as food or housing.

In the case of one of our members, Leona G (age 74) has maxed out her credit cards to afford the blood thinner Eliquis. She only receives Social Security benefits and a small pension check each month. Unfortunately, Leona isn't alone. We know the number one reason someone does not fill a prescription is because of the cost.

For years, prescription drug price increases have dwarfed even the highest rates of general inflation. If consumer prices had risen as fast as drug prices over the last 15 years, gas would now cost \$12.20 a gallon, and milk would be \$13 a gallon. Just in January, the drug industry raised prices on over 800 prescription medications—just as they have increased prices for decades—including [three-quarters](#) of the top 100 drugs with the highest spending in Medicare Part D.

AARP is mindful that high and growing prescription drug prices are affecting all Americans in some way. Their high cost is passed along to everyone with health coverage through increased health care premiums, deductibles, and other forms of cost-sharing. We have also seen massive increases in prescription drug spending under public programs like Medicare and Medicaid. These escalating costs will eventually affect all of us in the form of higher health care costs, higher taxes, cuts to Medicare or Medicaid, or all of the above.

In other words: every single American taxpayer is paying for high prescription drug prices, regardless of whether you are taking medicine yourself.

Fortunately, there is action the Senate can take right now. There is long-standing and overwhelming bipartisan support among voters for allowing Medicare to negotiate with drug companies for lower prices.<sup>[4]</sup> The policies before the Senate that Senator Kelly is leading on – including Medicare negotiation, capping out of pocket costs under Medicare Part D, and penalizing drug companies that increase their prices faster than inflation – will provide long-overdue relief to older Americans across the country. These policies, taken together, will help reduce drug prices and out-of-pocket costs. This is important because real relief for seniors and all Americans must include policies that get to the root of the problem: the high prices set by drug companies.

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<sup>[4]</sup> <https://www.aarp.org/research/topics/health/info-2021/drug-prices-older-americans-concerns.html>

America's seniors aren't the only ones who stand to benefit. Lowering prescription drug prices will also save the Medicare program and taxpayers hundreds of billions of dollars. Every year, Medicare spends more than \$135 billion on prescription drugs.

Last October, a [survey](#) commissioned by AARP Arizona and conducted by OH Predictive Insights showed Arizonans across the aisle agree on the need for affordable medication and action by their members of Congress. An overwhelming majority of Arizonans agree: Congress needs to tackle high prescription drug costs because some people can't afford to buy medicine and pay for other necessities (89% of voters). The survey results showed vast majority support for each proposed measure being discussed in Congress to reduce drug prices. The most favored initiative was allowing Medicare to negotiate for the price of drugs, winning over 94% of Arizonans. Furthermore, two-thirds (66%) of Arizonans surveyed do not believe that innovation will suffer if Medicare is allowed to negotiate for lower prices.

Clearly, Americans are fed up with paying three times what people in other countries pay for the same drugs. More than four million people across the country, including over 113,000 here in Arizona, are joining AARP to sign a petition to demand lower prices for prescription drugs. There will never be a better time to lower drug prices than the historic opportunity in front of Congress. Now it's time to get it done!